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SEP 21 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

**Re: Interconnection and Resale Obligations Pertaining to
Commercial Mobile Radio Services, CC Docket No. 94-54**

Dear Ms. Salas:

Enclosed for inclusion in the record in the above-referenced docket is a copy of the Comments of the Telecommunications Resellers Association, filed September 17, 1997, in WT Docket No. 97-207 (Calling Party Pays).

Please return a date-stamped copy of this letter (copy provided).

Please contact the undersigned if you have any questions.

Respectfully submitted,



Linda L. Oliver
Counsel for Telecommunications
Resellers Association

Enclosure

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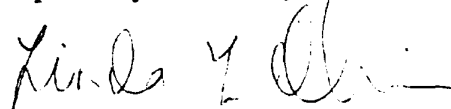
**Re: Calling Party Pays Service Option in the Commercial Mobile Radio
Services, CC Docket No. 97-207**

Dear Ms. Salas:

Pursuant to the FCC's Public Notice FCC 99-137, released July 7, 1999, and as amended by DA 99-1566, released August 6, 1999, enclosed for filing in the above-referenced docket are the original and nine copies of the "Comments of the Telecommunications Resellers Association."

Please contact the undersigned if you have any questions.

Respectfully submitted,



Linda L. Oliver
Counsel for Telecommunications Resellers
Association

Enclosures

cc: David Siehl, Policy Division, Wireless Telecommunications Bureau

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**Before the
FEDERAL COMMUNICATIONS COMMISSION**

In the Matter of

Calling Party Pays Service Offering)
in the Commercial Mobile Radio Services)

WT Docket No. 97-207

**COMMENTS OF
THE TELECOMMUNICATIONS RESELLERS ASSOCIATION**

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September 17, 1999

SUMMARY

Ensuring that resellers can provide Calling Party Pays (CPP) services is critical not only to promoting the continued development of competition in the CMRS market, but also to promoting competition in the full service market – that is, competition among providers offering packages of wireline local exchange, wireline long distance, Internet, and wireless services. Ensuring that wireless resellers can provide CPP services is also critical to accomplishing the Commission's goal of promoting competition between wireless and local wireline services. Wireless resellers also must be the CPP service providers for their subscribers in order to ensure that market pressures are applied to rates charged to consumers placing calls to their subscribers. For CPP to be the pro-competitive force that it has the potential to be, therefore, the Commission must ensure that all CMRS providers can provide CPP services, whether facilities-based or not.

The Commission must therefore ensure that resellers have the capability to provide CPP services, including the ability to perform customer notification and billing and collection for CPP.

For resellers to perform customer notification, the underlying carrier must either provide the mandated notification message on behalf of resellers (with resellers providing the necessary messages), allow resellers to install the necessary equipment at the mobile telephone switching office (MTSO), or provide the resellers with interconnection with the MTSO to enable the resellers to provide customer notifications directly themselves.

The Commission must also ensure that CMRS underlying carriers provide resellers with access to the necessary information (ANI and other call detail records), on a real-time basis, to enable the resellers to bill and collect for CPP calls. In the alternative, the

underlying carrier can allow resellers to interconnect with the MTSO, thus enabling the resellers to capture the data necessary for billing and collection from the local exchange carrier.

The Commission also should ensure that resellers are able to employ the same industry solutions for billing and collection for CPP calls that are used by the underlying CMRS carrier. TRA observes, however, that it is not necessary, nor would it be appropriate, to require competitive local exchange carriers (CLECs) to provide billing and collection services for CPP, although incumbent local exchange carriers may well be willing to perform this function, as they do for other services today.

The CPP issue illustrates how important it is for wireless resellers to have the ability to interconnect their own switching and other facilities with those of the CMRS licensee. TRA will continue to vigorously pursue speedy action on this issue in the Commission's wireless interconnection docket.

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**Before the
FEDERAL COMMUNICATIONS COMMISSION**

In the Matter of

Calling Party Pays Service Offering)
in the Commercial Mobile Radio Services)

WT Docket No. 97-207

**COMMENTS OF
THE TELECOMMUNICATIONS RESELLERS ASSOCIATION**

The Telecommunications Resellers Association ("TRA") hereby submits its comments on the notice of proposed rulemaking on Calling Party Pays ("NPRM") issued July 7, 1999, in the above-captioned proceeding. 1/

INTRODUCTION

TRA is a national organization representing more than 750 telecommunications service providers and their suppliers, including a number of resellers of wireless services (commercial mobile radio services or "CMRS"). Wireless resellers are a significant competitive force in the market for commercial mobile radio services ("CMRS"). Over 2 million customers now subscribe to the services of CMRS resellers. TRA's wireless reseller members are interested in participating in the provision of calling party pays (CPP) services.

TRA's continuing mandate is to foster and promote telecommunications resale, to support the resale industry, and to protect and further the interests of entities engaged in the resale of telecommunications services. TRA is the largest association of competitive carriers in the United States, numbering among its members the large majority of interexchange carriers,

1/ Calling Party Pays Service Offering in the Commercial Mobile Radio Services, WT Docket No. 997-207, FCC 99-137, Declaratory Ruling and Notice of Proposed Rulemaking (July 7, 1999) ("Declaratory Ruling" or "NPRM").

local exchange carriers, wireless resellers, and international carriers in the country. While TRA's reseller members generally enter the market through the resale of services, a majority of its carrier members have invested in telecommunications network facilities.

TRA focuses on providing decision-makers with the perspective of smaller carriers. TRA's ultimate goal is to help foster a telecommunications industry that is free from undue domination by large individual carriers and unfettered by unnecessary regulation. TRA believes that such an environment will ensure that end users have the greatest possible variety of service, quality, and pricing options.

I. WIRELESS REALE, INCLUDING PROVISION OF CPP BY RESELLERS, IS ESSENTIAL TO COMPETITION AND CONSUMER PROTECTION.

If the Commission adopts rules to permit the provision of CPP services, it should, consistent with the goals of promoting competition, efficiency, innovation, and consumer choice, ensure that resellers of commercial mobile radio services will be able to provide CPP services just as they currently provide other wireless services.

In crafting the rules governing the provision of CPP services, the Commission must, as an initial matter, take into account the fact that a reseller will be considered the service provider for CPP calls made to its subscribers. Acknowledging that resellers are the service providers for CPP calls made to their subscribers is logical because a call made to a subscriber under the Commission's CPP proposal, at bottom, is no different from a call made to a subscriber under the current CMRS structure. The only difference is the identity of the person paying for the call. Since a resale carrier would be the service provider for calls made to its subscribers under the current CMRS structure, the resale carrier would also be the service provider for calls made to its subscribers under the Commission's CPP proposal.

A. The Consumer and Competitive Benefits of Wireless Resale

As the Commission has repeatedly acknowledged, wireless resellers play a critical role in maximizing competition and consumer choice. ^{2/} Wireless resellers do this in a number of ways:

- (1) By offering lower rates than facilities-based providers, resellers place downward pressure on the rates of all carriers.
- (2) By purchasing service packages that might otherwise be available only to high-volume, large business users and then making them available to smaller, lower volume users, resellers create a healthy, procompetitive arbitrage that helps lower prices and prevent unreasonable price discrimination.
- (3) By mixing and matching services from multiple underlying CMRS providers, resellers can give consumers access to a broader array of services, technologies, and service areas than can individual facilities-based providers.

In addition, resale enables new entrants to build the customer base necessary to support the eventual construction of facilities. Resale also reduces barriers to entry and to participation in telecommunications markets by small businesses and minorities, by making it possible for carriers that lack the capital to purchase their own wireless licenses or networks to participate in the wireless business. Wireless resale also promotes competition in the market for full-service packages. In sum, unrestricted wireless resale lowers barriers to entry, helps prevent unreasonable price discrimination among consumers, and brings consumers lower prices and increased choice.

^{2/} Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services, CC Docket No. 94-54, First Report and Order, 11 FCC Rcd 18455, 18462, ¶ 10 (1996) ("CMRS Resale Order").

In order to preserve the benefits to consumers and competition of wireless resale, the Commission must ensure that its CPP rules will enable resale carriers to include CPP as part of their wireless service offerings.

B. CPP and Full Service Competition

Ensuring that resellers can provide CPP services is critical not only to promoting the continued development of competition in the CMRS market, but also to promoting competition in the full service market.

CPP services are likely to be an essential element in the development of full-service competition. Carriers like AT&T and Sprint already are providing full-service package offerings. Bell Operating Company entry into in-region, interLATA markets are likely to make such full-service packages the norm. Carriers unable to provide any one component of these full-service packages will have difficulty competing in the communications marketplace. Wireless resale is a key component of such full-service competition. Carriers who offer wireless services via resale must be equally able to offer a CPP option to their subscribers, just as their facilities-based competitors will be able to do.

C. CPP and Wireless/Wireline Competition

As the Commission has recognized, CPP also has the potential to be a key element in promoting the development of direct competition between local wireline services and wireless services. By shifting the cost of receiving calls back to the calling party, wireless services will become more comparable to wireline services. Thus, CPP should help make wireless services more substitutable for, and thus competitive with, local wireline services. Resellers must be able to participate in this competitive market dynamic by being able to offer

CMRS services with CPP capability. Carriers that are unable to provide CPP services will not be able to compete on the same terms as other service providers that do have this capability.

D. Market Pressure on CPP Service Prices

Making sure that resellers can be the service providers for CPP calls made to their subscribers is necessary in order to allow market pressures to keep CPP rates down. As the Commission recognized in the NPRM, since the calling party does not select the CPP provider, the market pressure on CPP rates is largely indirect, and is exerted by the subscriber on its CMRS service provider.³ / The pressure to keep CPP rates down would come from CMRS subscribers that are concerned about the rates charged for calls made to their wireless phones.⁴ Presumably, such subscribers would choose their CMRS providers based in part on their CPP rates, and would switch away from providers whose CPP rates were too high.

If a CMRS reseller were not considered the service provider for calls made to its subscribers and thus could not control the rates charged for those calls, the underlying CMRS provider presumably could set the rates for such CPP calls at whatever level it chose, without concern that the complaints of calling parties would ever reach the ears of the subscriber's carrier (the reseller). The reseller, in fact, could not do anything to reduce those CPP rates if it is not the provider of that CPP service. The reseller also could not compete with facilities-based providers by offering lower CPP rates if they are not considered the CPP service provider. Moreover, the reseller in such a scenario could be placed at a severe competitive disadvantage vis-à-vis facilities-based CMRS providers if facilities-based providers could reduce the rates for CPP calls

³ NPRM at ¶¶ 20-21.

⁴ Calling parties could not put downward pressure on rates because they would have no influence over what CMRS provider would carry calls to the wireless customers they call. Rather, the CMRS provider is chosen by the called party.

placed to their subscribers while charging higher rates for calls placed to the resellers' subscribers.

In sum, if the Commission intends to rely on market pressures to keep CPP rates in line, it must also ensure that resellers are considered the providers of CPP services to their subscribers (and not the underlying carrier).

II. RESELLERS MUST HAVE THE ABILITY TO PROVIDE CALLING PARTY NOTIFICATION FOR CALLS MADE TO THEIR SUBSCRIBERS.

In providing CPP services, resellers of course would be responsible for providing any mandated calling party notifications on calls made to their subscribers.

There are three possible options to ensure that resellers are able to provide the mandated customer notification for their CPP calls. They are:

- (1) The underlying CMRS provider could provide the notification on behalf of the reseller, inserting the appropriate messages into any equipment (such as an interactive voice response system or IVR) by the CMRS provider for its own CPP offerings.
- (2) The reseller could purchase and program its own IVR equipment and install it at the mobile switch, with remote access to enable the reseller to change the messages as needed.
- (3) The CMRS provider could provide the reseller with interconnection to the MTSO so that the reseller could provide its own notification, at its own switch.

It would be necessary for the CMRS provider to make at least one of the above options available to resellers. This is so because there is currently no other way for resellers to provide the notifications themselves. The underlying CMRS carrier need not undertake to provide resellers with the notification capability or the ability to locate the reseller's IVR equipment at the MTSO, however, – because the underlying carrier always has the option of permitting the reseller to interconnect with the underlying CMRS carrier and therefore perform

the notification function itself, in the same way the underlying CMRS carrier would do in its MTSO. So long as resellers are denied the ability to interconnect, however, resellers will have no choice but to rely on the use of IVRs in the MTSOs of underlying carriers.

Under either the first or second scenarios discussed above, the Commission would need to make clear that resellers of CPP services would prepare the calling party notifications provided on calls made to their subscribers. This is necessary because the reseller would be the only entity with the information required to prepare such notifications and would be the entity responsible for establishing the rates and other conditions of the CPP service. Under the Commission's proposal, this information includes the identity of the CMRS provider serving the called party, the per-minute rate for the call, and other charges that will be imposed by the CMRS provider. ^{5/}

In the absence of interconnection, resellers could obtain access to an IVR in an underlying carrier's MTSO in any of a number of ways. The reseller could own and run the IVR within the MTSO. The reseller could program an IVR owned by the underlying carrier with the necessary notification information or recordings. This programming could be done via direct or remote access to the IVR using security access codes. Or, alternatively, the reseller could give the underlying CMRS carrier the notification information or recordings necessary for the underlying carrier to program the IVR.

The underlying CMRS provider could be allowed to choose which of these alternatives it prefers (or whether it prefers to provide interconnection so that the reseller can do the notification itself). Whatever the method chosen, however, giving resellers the ability to

^{5/} NPRM at ¶ 42.

provide mandated calling party notifications is critical to making it possible for resellers to provide CPP services.

III. RESELLERS MUST HAVE THE CAPABILITY TO BILL AND COLLECT FOR THEIR CPP OFFERINGS.

To provide CPP services, resellers (like other CMRS providers) would need the ability to bill and collect for CPP calls made to their subscribers. The CPP rules must ensure that resellers have access to the information necessary to bill and collect for CPP calls.

The Commission should require underlying carriers to provide resellers with access to call detail records for the calls made to the resellers' subscribers, on a real-time basis. In the alternative, the underlying carrier could provide resellers with the ability to interconnect their facilities with those of the underlying carrier, thereby providing resellers with their own access to the data by virtue of their direct connection to the LEC.

Call detail records generally contain information necessary for billing, including the automatic number identification ("ANI") for the calling party, the location of the called party, and call start and stop times. Call detail records generally would be obtained through information passed through to the underlying facilities-based CMRS carrier for calls terminating on their wireless facilities. The underlying CMRS carrier therefore should have the obligation to provide such information to resellers, or to permit resellers to interconnect their own facilities with the mobile telephone switching office (MTSO) so that the information will be passed through automatically to the wireless reseller from the LEC.

Requiring facilities-based CMRS carriers to provide resellers with access to such billing information (or interconnection) is necessary because resellers have no other means of obtaining this data. Since underlying CMRS carriers already receive the data necessary for billing in connection with the traffic terminating on their networks, moreover, it would not be

difficult or burdensome for them to provide those records to resellers. We emphasize that we are not asking that the underlying carrier perform the billing for the reseller, but only that it transmit the data to the reseller that is necessary to permit the reseller to do its own billing.

Once a reseller has the necessary call detail records required to rate and bill the calls made to their subscribers, the reseller, like other, facilities-based CPP providers, will still need to have access to capabilities to bill and collect for CPP calls made by callers with whom the CMRS provider does not have an existing customer relationship. Many incumbent local exchange carriers already provide such billing and collection services for other services. Clearinghouses also exist to facilitate the coordination of billing and collection for carriers, such as operator service providers, who do not have preexisting relationships with callers. Whatever industry solution is worked out to take care of billing and collection for CPP calls, it is essential that resellers providing CPP have the same ability to take advantage of these arrangements that facilities-based CPP providers will have.

In this connection, the Commission should not require interexchange carriers ("IXCs") or competitive local exchange carriers ("CLECs") to include charges for CPP on their bills. Interexchange carriers and CLECs do not generally perform this function for third parties. Many competitive carriers lack the ability to perform billing and collection for such third party service providers. Moreover, such a requirement would work only if every CMRS provider in a service area had entered into arrangements with every IXC and CLEC throughout the country. Such duplicative and overlapping arrangements would be prohibitively burdensome and complex to implement.

IV. PERMITTING INTERCONNECTION WOULD ALLOW RESELLERS TO PROVIDE CPP WITHOUT THE INVOLVEMENT OF THE UNDERLYING CARRIER.

If wireless resellers had the ability to interconnect their own switching and transport facilities with the mobile telephone switching office (MTSO) of the underlying CMRS provider, then resellers could provide CPP service even if the underlying CMRS provider chose not to do so. This alone is an important reason why the Commission should order such interconnection. As noted above, moreover, ^{6/} some of the problems related to customer notification and billing and collection discussed in these comments could be solved simply by permitting resellers to interconnect with the networks of underlying carriers. For example, with interconnection, there would be no need to require underlying CMRS carriers to either permit reseller use of IVRs in the provision of calling party notification or to provide resellers with call detail records for the preparation of billing information. Rather, resellers could provide calling party notification and obtain call detail records for bill preparation themselves. Absent the ability to interconnect, however, the only way to ensure that resellers could provide CPP services would be to take the actions described above.

The ability to interconnect directly with the facilities of a CMRS provider is of critical importance to TRA's members. Interconnection would enable wireless resellers to provide a number of innovative and competitive service offerings, in addition to Calling Party Pays. TRA has been actively pursuing this issue before the Commission for many years, and

^{6/} This issue is the subject of a separate FCC proceeding. Equal Access and Interconnection Obligations Pertaining to Commercial Mobile Radio Services, 9 FCC Rcd 5408, 5458-69 (1994); recon., 11 FCC Rcd 19729 (1996), aff'd, Telecommunications Resellers Assoc. v. FCC, D.C. Cir. No. 97-1071 (April 28, 1998). TRA plans to introduce a copy of the comments filed in the CPP proceeding in the record of the interconnection docket.

hopes that the Commission will act soon to grant competitive service providers the ability to interconnect with the facilities of CMRS providers.^{7/}

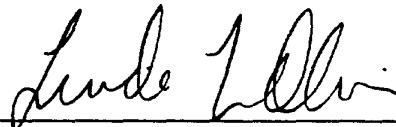
CONCLUSION

The participation of wireless resellers in the provision of Calling Party Pays services will be critical not only to the future of wireless competition, but also to the development of full service and wireless/wireline competition. As the Commission crafts rules to permit the provision of CPP services, therefore, it should ensure that wireless resellers are able to provide CPP services by enabling them to provide any mandated customer notification and to bill and collect for CPP services.

Respectfully submitted,

TELECOMMUNICATIONS RESELLERS
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September 17, 1999

^{7/} See id.

CERTIFICATE OF SERVICE

I, Barbara E. Clocker, hereby certify that on this 17th day of September, 1999, copies of the foregoing "Comments of the Telecommunications Resellers Association" were served by hand delivery to the following:

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